

Introduced by: Councilmember Seamens

First Reading: March 21, 2011
Second Reading: March 28, 2011
Effective Date: April 18, 2011

CITY OF TAKOMA PARK, MARYLAND

ORDINANCE NO. 2011-9

**(An Ordinance Authorizing the City to Enter Into an Agreement with
Coalition Homes, Inc. for a Payment in Lieu of Taxes for
1007 University Blvd. East, Takoma Park, Maryland)**

WHEREAS, Coalition Homes, Inc. is a non-profit, tax-exempt corporation, affiliated with the Montgomery County Coalition for the Homeless, whose goal is to develop, rehabilitate, and provide housing to individuals and families who have previously been homeless; and

WHEREAS, Coalition Homes, Inc. will be purchasing rental property at 1007 University Blvd. East, Takoma Park, Maryland (the “property”), a walk-up apartment building consisting of four 2-bedroom apartments; and

WHEREAS, the property will provide permanent rental housing for special needs families with rental assistance from transferred HOC project-based vouchers; and

WHEREAS, Coalition Homes, Inc. is requesting a Payment in Lieu of Taxes (PILOT) agreement from the City because the State of Maryland has ceased to automatically grant property tax exemptions to nonprofit charitable organizations; and

WHEREAS, the Council supports the provision and protection of affordable housing in the City for individuals and families exiting homelessness and Coalition Homes, Inc.’s efforts to promote economically inclusive communities; and

WHEREAS, Coalition Homes, Inc. agrees that 100% of the units rented at the property will be occupied by households who have incomes of 40% or less of the area’s median income level during the term of the PILOT Agreement with the City; and

WHEREAS, under Section 7-503(a) of the Tax-Property Article of the *Annotated Code of Maryland*, a nonprofit tax-exempt corporation that operates or manages rental housing that serves low-income households may be eligible under certain conditions to make a payment in lieu of taxes on the real property; and

WHEREAS, Coalition Homes, Inc. represents that it qualifies under the provisions of Section 7-503 to enter into an agreement with the City to pay a negotiated amount in lieu of City real property taxes; and

WHEREAS, the Council finds that a PILOT Agreement with Coalition Homes, Inc. serves a public purpose and promotes the general welfare of the City and its residents by preserving affordable housing for low-income persons who have previously been homeless; and

WHEREAS, the Council is willing to grant a 50% abatement of Takoma Park property taxes for 1007 University Blvd. East, Takoma Park, Maryland for a ten-year period, beginning July 1, 2011 (levy year 2011).

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND THAT the Council approves a Payment in Lieu of Taxes Agreement with Coalition Homes, Inc. for the property at 1007 University Blvd. East, Takoma Park, Maryland, as follows:

- A. For the ten levy years of the PILOT Agreement, beginning with tax levy year 2011 on July 1, 2011, Coalition Homes, Inc. shall have a 50% abatement of Takoma Park real property taxes for the property at 1007 University Blvd. East, Takoma Park, Maryland (tax account number 03170314); and
- B. During the term of the PILOT Agreement, all of the units rented at 1007 University Blvd. East, Takoma Park, Maryland, shall be occupied by very low-income households (*i.e.*, households with incomes of 40% or less of the Montgomery County median household income); and
- C. The tax abatement under the PILOT Agreement shall be effective on July 1, 2011 or upon Coalition Homes, Inc.'s purchase of the property.

The City Manager is authorized to enter into a PILOT Agreement on behalf of the City with Coalition Homes, Inc., or with a related or affiliate entity to which the property is transferred, under the provisions of Section 7-503(a) of the Tax-Property Article of the *Annotated Code of Maryland*, for the property at 1007 University Blvd. East, Takoma Park, Maryland and to take such actions and execute such documents as are necessary in order to carry out the purposes of this Ordinance.

**ADOPTED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND
THIS 25TH DAY OF MARCH, 2011, BY ROLL-CALL VOTE AS FOLLOWS:**

AYE: Williams, Wright, Clay, Robinson, Seamens, Snipper
NAY: Schultz
ABSENT: None
ABSTAIN: None